

## 5.3 DIRECT SOCIOECONOMIC IMPACTS

### 5.3.1 Background

Aviation developments affect not only the physical environment surrounding the airport, but also the area's social and economic environment. These effects on the local community within the study area, and the greater municipality, are classified under the heading of socio-economic impacts.

### 5.3.2 Methodology

In order to assess the direct socio-economic impacts, the following areas will be reviewed as they relate to the Proposed Action:

- The acquisition of residences and/or businesses, and the relocation of building occupants;
- The alteration of surface transportation patterns;
- The disruption of established communities or planned development;
- Direct economic impacts of additional construction and operational expenditures;
- Environmental justice.

The Environmental Justice analysis for the Gary/Chicago International Airport follows the guidance and methodologies recommended in the Federal Council on Environmental Quality's (CEQ's) *Environmental Justice Guidance under the National Environmental Policy Act*, (December 1997), and the U.S. DOT's *Final Order on Environmental Justice*, (April 1997).

Because the Proposed Action is to occur within the Indiana Lake Michigan Coastal Program (LMCP) area, the applicable summary matrix of laws and guidance documents for this environmental category has been reviewed to confirm that all state and local regulations have been considered in this EIS. The LMCP matrices on Economic Development and Property Rights issues can be found in **Appendix C** for reference. Matrix 5-7 Cross-reference of Economic Development Laws and Guidance Documents and Matrix 5-10 Cross-reference of Property Rights Laws and Guidance Documents have been reviewed by the consulting team to confirm that all the identified items have been considered in the evaluation of the direct socioeconomic impacts as described in this section.

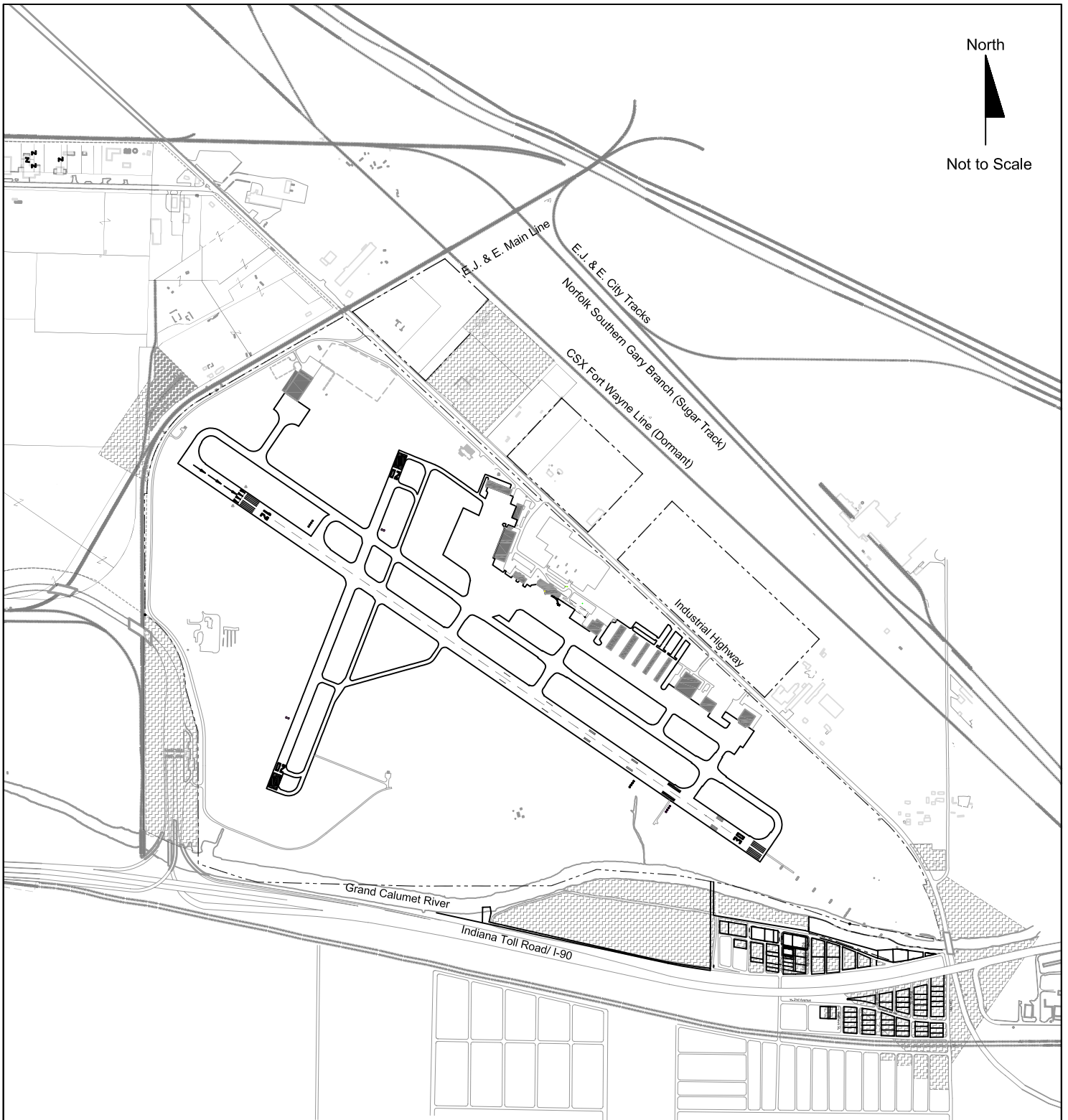
### 5.3.3 Existing Conditions – 2000

The existing conditions at Gary/Chicago International Airport include the fee simple ownership of the area shown in **Exhibit 5.3-1**. The airport has limited control over its Runway Protection Zones, with avigation easements over the areas shown in Exhibit 5.3-1.

North



Not to Scale



- Existing Property Line  
Existing Easements



## EXHIBIT 5.3-1 Existing Easements

April 8, 2004

### **5.3.4 Future Conditions – 2007**

#### **5.3.4.1 Acquisition and Relocation of Residences and Businesses**

One of the primary considerations in assessing social impacts is to consider the number of residences or businesses affected by the Proposed Action through acquisition and relocation/displacement activities. Included in this review is:

- the extent of displacements and property acquisitions that may be required;
- the potential impacts of such acquisitions;
- the protection those property owners and tenants are afforded under Federal law; and
- a discussion of compensation and relocation assistance.

Pending further details to be developed as the preliminary design and engineering of the Gary/Chicago International Airport is developed, the scope of final property acquisition requirements may be further refined.

##### **5.3.4.1.1 No Action**

The No Action scenario would not result in any direct displacements of residences or businesses within the study area, as no development activities would occur. However, the homes located in the existing RPZ should still be obtained under the willing seller premise.

##### **5.3.4.1.2 Improvements to Existing Runway 12-30 to Conform to FAA Standards**

Improvements to the Gary/Chicago International Airport are needed to effectively and efficiently serve users of the Gary/Chicago International Airport, while increasing the facility's margin of safety. The improvements to the runway to conform to current FAA standards will require some displacement and relocation of existing businesses northwest of the runway, with a desire to acquire additional residences and one business to the southeast as opportunity and funding allow. These acquisitions will for the most part consist of full acquisitions. In some cases where a partial taking would satisfy the airport's needs, this may occur so long as the program of acquisition does not adversely affect the economic viability of remaining portions of properties. Throughout the proposed property acquisition period, the Gary/Chicago Airport Authority will comply with the policies and provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act. The Uniform Act provides for fair and equitable treatment of persons whose property will be acquired or who will be displaced because of programs or projects financed with Federal funds.

Property owned by 70 landowners will potentially be acquired for the Proposed Action. These include 42 homes and 13 businesses. The remaining properties do not list any improvements and therefore are considered vacant. These acquisitions were summarized in Chapter 2, Purpose and Need.

There are a total of 101 parcels (held by 70 landowners) within the proposed property acquisition program. The area proposed for acquisition within these properties total 315 acres and is located within the area northwest and southeast of the runway (**Exhibit 5.3-2**). The number of parcels and acreage associated with each project type is detailed in **Exhibit 5.3-3**.

<b>EXHIBIT 5.3-2 Property Acquisition</b>			
	<b>NW</b>	<b>SE</b>	<b>Total</b>
<b>Tax-Exempt</b>	0	0	0
<b>Taxable</b>	41	60	101
Non-Residential	41	18	59
Residential	0	42	42
<b>Total</b>	37	73	101

Note: 70 landowners own the 101 parcels identified for property acquisition.

<b>EXHIBIT 5.3-3 Property Acquisition by Project Type</b>		
<b>Project Type</b>	<b># of Landowners</b>	<b>Acres</b>
Runway Safety Area Improvements	17	270
Southeast Runway Protection Zone	47	20
Runway Extension (included above)	0	0
Long-term Passenger Terminal Area	6	25
Long-term Cargo Area (included above)	0	0
<b>Total</b>	70	315

Note: Requires easement or use agreement over an additional 3 acres to remove one tank located in the Runway 12 future RPZ.

Northwest of Runway 12-30 - The improvements to the Gary/Chicago International Airport to northwest of the existing runway in order to conform with current FAA standards will potentially require the acquisition of properties from 17 landowners and the displacement of 12 businesses (listed in 1-10 and 11-12 in **Exhibit 5.3-4**). There will be no residential properties acquired or displaced. The areas that are needed to conform to current FAA standards (including the rail relocation) are currently occupied by industrial business usages. There are also water supply, fuel dealer, scrap and waste materials, construction and mining equipment, and truck sales businesses. These predominately transportation-related establishments are likely located in these areas due to the availability of large and inexpensive blocks of land, and the area's proximity to I-90. The total amount of private land that will be acquired northwest of the runway is 270 acres. The numbers above assume that acquisition will be completed in such a way to not require multiple acquisitions (under different projects) from the same land owner; accordingly, the acquisition of the 270 acres northwest of the runway needed to allow the runway to conform to current FAA standards will also address land acquisition requirements for the runway extension project (except for an easement or use agreement over 3 acres required to allow for tank removal), long-term cargo area, and all but 25 acres of the long-term passenger terminal area.

**EXHIBIT 5.3-4**  
**Businesses within Acquisition Program**

	Name	Location Address	Type of Business	NAICS code
1	Truck City of Gary, Inc.	7360 Chicago Ave., Gary	Truck Sales	423110
2	PGT Trucking Inc.	7212 Chicago Ave., Gary	Trucking	484121
3	Riechmann Transport, Inc.	7200 Chicago Ave., Gary	Trucking	484121
4	Pl&I Motor Express	7000 Chicago Ave., Gary	Trucking	484121
5	SES Construction and Industrial Equipment	6915 Chicago Ave., Gary	Construction and Mining Equipment	423810
6	Western Scrap Corporation	6901 Chicago Ave., Gary	Scrap, Waste Materials, auto wrecking and recycling	423930
7	Amerigas	Chicago Ave., Gary	Fuel Dealer	45431
8	NW Indiana Water Company	Chicago Ave., Gary	Water Supply	221310
9	Beemsterboer	Chicago Ave., Gary	Scrap and Waste Materials	423930
10	Yellow Transportation	912 Indiana St., Gary	Trucking	484121
11	NG Land	4931 W. Riverside Dr., Gary	Trucking	484121
12	Elgin, Joliet and Eastern Railway Co.	NW Section	Railway	-----
13	Mercantile National Bank	NW Section	-----	-----

The airport will make every attempt to achieve a settlement for the acquisition of each property in the northwest zone. In the event that this is not achieved, condemnation proceedings will be required to clear the land before construction can commence for the proposed runway extension. According to the City of Gary Department of Environmental Affairs, these potentially displaced businesses would have the opportunity to relocate within the City at the many vacant industrial and Brownfield sites that contain similar characteristics as the existing sites. Sites that may be suitable for relocation include the 9-12 Industrial Park, which contains approximately 200 acres of developable space, and the J-Pitt Redevelopment Site, which contains approximately 80 acres of developable space.

Southeast of Runway 12-30 - The positive control of the runway protection zone southeast of the existing runway will potentially require the acquisition of properties from 47 landowners. The total amount of land that will need to be acquired in the Southeast is 20 acres. There will potentially be 42 residences acquired and 1 business (listed as #11 in Exhibit 5.3-4). The residential area is comprised of relatively small homes and small residential lots. The residential properties are located in two isolated areas. One area borders the airport with the Calumet River on one side and Interstate 90 (Indiana Toll Road) on the other. The second area is isolated between the Chicago South Shore and South Bend Railroad and Interstate 90. This area is also exposed to a considerable amount of noise from the toll road and the railroad, as well as the airport. The residential properties within the proposed RPZ currently experience noise from the Indiana Toll Road, railroad, and the airport. The Proposed Action provides a program to allow them to move to other areas of Gary not impacted by as much noise.

Unlike the proposed acquisitions in the northwest, the immediate implementation of the Proposed Action is not contingent upon the acquisitions of the southeast properties. As such, the airport intends to purchase these properties as opportunity and funding allow. Although it is expected for these acquisitions to be under the terms of “willing seller, willing buyer”, the airport will follow the Uniform Relocation Assistance and Real Property Acquisition Policies Act. The proposed residential displacement would result in a minimal disruption to residents and a minimal loss of residents to the City of Gary, as there are many opportunities for households to relocate to nearby neighborhoods. As shown in **Exhibit 5.3-7**, the vacancy rates in Census block groups surrounding the residential properties proposed to be acquired are comparatively high. The properties within these Census block groups are of similar quality, price and socio-economic profile, as the neighborhood that contains the properties to be acquired (see Exhibit 5.3-7). This implies that the housing market could easily absorb the 42 households while providing similar standards of accommodation.

There are seven housing units both within the 2007 546-foot and 1,900-foot runway extension 65 or higher DNL noise contours that will not be purchased because they are outside the future RPZ. The other residences that are within the 65 DNL noise contour upon the implementation of the Proposed Actions are proposed to be acquired because they are located in the future RPZ (**Exhibit 5.3-8**). The residences that are located outside of the acquisition area but inside the 2007 65 DNL with the Proposed Action, are also located within the 65 DNL under the 2000 base line and 2007 No Action scenarios. It should be noted that many of the homes within the future RPZ are not within the 65 or higher DNL under the Proposed Action scenarios (Exhibit 5.3-8). These numbers are approximations based on the latest aerial photographs of the residential areas.

<b>EXHIBIT 5.3-7</b>		
<b>Residential Areas Surrounding RPZ - Vacancy Rates</b>		
	<b>Housing units: Total</b>	<b>% vacant</b>
Block Group 2, Census Tract 103.01	469	18.6%
Block Group 3, Census Tract 103.01	327	13.7%
Block Group 4, Census Tract 103.01	311	19.6%
Block Group 1, Census Tract 103.02	405	17.5%
Block Group 1, Census Tract 102.03	445	7.6%

**EXHIBIT 5.3-8  
65 DNL Summary**

<b>Project</b>	<b>Housing Units</b>	<b>Population</b>
<b>2007 FAA Standards</b>		
In 65 DNL and Proposed to be Acquired	26	52
In 65 DNL and Not Proposed to be Acquired	7	14
Total	33	66
<b>2007 1,900' Runway Extension</b>		
In 65 DNL and Proposed to be Acquired	15	30
In 65 DNL and Not Proposed to be Acquired	7	14
Total	22	44

#### **5.3.4.2 Relocation Assistance**

Once the general property needs have been defined for the project, the Gary/Chicago Airport Authority is responsible for acquiring right-of-way and other real estate interests necessary to complete the project. The acquisition process would consist of the following seven steps: identification of required real estate once final design information is available; appraisal of required property interests; preparation of detailed property acquisition maps and metes-and-bounds descriptions of the property interests to be acquired; procurement of title reports to identify owners, lessees, mortgagees, lien holders, and any parties with compensable interests in the property to be acquired; acquisition, either through negotiation or eminent domain; settlement or litigation of any claims for additional compensation or property damage; and relocation of occupants if necessary.

The purpose of the Gary/Chicago International Airport property acquisition/relocation program is to provide the necessary land and safety improvements for the future expansion of the Gary/Chicago International Airport. Throughout the acquisition process, the Gary/Chicago International Airport must follow Federal and state laws and procedures that require the payment of fair market value for the property acquired, as well as relocation assistance to displaced residents and businesses. It is the airport's goal to reach a mutually acceptable purchase price for properties in the acquisition area.

The properties designated for acquisition in the northwest will be acquired either through negotiation or eminent domain. The properties designated for acquisition in the RPZ in the southeast will be acquired as opportunity and funding allows, while adhering to Federal and state laws or guidance for land acquisition by a public entity.

The Gary/Chicago International Airport would adhere to the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as codified in Title 42, Section 4601 et seq. of the United States Code, and the applicable implementing regulations set forth in Title 49, Part 24 of the Code of Federal Regulations (collectively, the “Uniform Act”) with regard to relocation services, moving payments, replacement housing payments, and other allowable payments related to commercial and residential moving costs and displacement. As part of the project’s design work, property identification plans would be developed to identify every parcel affected by the project and to define the need for property acquisitions and/or easements. From property identification plans, preliminary title reports would be obtained to ascertain the owners of record and legal descriptions of the parcels. The parcels would then be certified as needed for the project and the acquisition process initiated.

As part of the procedure for preparing the acquisition relocation plan, all site occupants would be personally interviewed to determine their specific relocation needs, and would be given written information about benefits to which they may be entitled. Owners, tenants and parties with compensable interests in the properties to be acquired would be compensated. Displaced residents, business owners and commercial tenants would receive relocation benefits and assistance as required under the Uniform Act.

The rights of owners and tenants of real property acquired to implement the proposed project are protected under the Uniform Act, which provides for fair, uniform and equitable treatment of persons displaced from their homes, businesses or farms by Federal and Federally assisted programs. (“Owner” refers to either the fee owner of the property or the tenant-owner of improvements on it.) The Act recognizes that displacement of businesses often results in their closure, and aims to minimize the adverse impact of displacement in order to maintain the economic and social well being of communities. Overall, the Act is designed to ensure that individuals do not suffer disproportionate injuries as a result of programs and projects designed for the benefit of the public as a whole, and to minimize the hardship of displacement on such persons.

### **5.3.4.3 Alteration of Surface Transportation**

#### **5.3.4.3.1 Cline Avenue Frontage Road**

The Gary/Chicago Airport Authority has worked closely with representatives from the Indiana Department of Transportation and the EJ&E Railway to develop a rail relocation program that will not conflict with the Cline Avenue Frontage Road. There may be shared drainage considerations within the INDOT right-of-way for Cline Avenue.



#### **5.3.4.3.2 Rail Line Impacts**

The interim Route 1E and final Route 1D of the relocated EJ&E Railway tracks diverge from the existing alignment in a northwesterly direction after passing under the Toll Road Connector to Cline Avenue. The impacts of this segment of the proposed alignment may potentially include a new at grade crossing for vehicular traffic to access the National Guard Area within the southwest section of the airport property. The alignment continues northwest until reaching the east side frontage road of Cline Avenue. At this point the alignment turns north to parallel this frontage road. The interim Route 1E continues for approximately 500' before curving back to the east. This new route joins the present alignment on the existing railroad bridge over Industrial Highway utilizing a 1,600-foot ramp for elevation. On the other hand, the final Route 1D would continue north along the Cline Avenue frontage road, turning northeast and impacting traffic on Chicago Avenue with a new at grade crossing. This alignment would then turn east paralleling the CSX Barr Subdivision right-of-way, passing under a proposed new bridge carrying Industrial Highway overhead. Final Route 1D would then use a ramp that would elevate the tracks up to the present EJ&E Railway overhead bridge at Pine. In the process it would span both the CSX Fort Wayne Line and the NS Sugar Track on new bridges.

Eight to twelve trains a day use the portion of the EJ&E Railway line that is adjacent to the airport.<sup>1</sup> There is the potential for similar operations to impact the new at grade crossing on Chicago Avenue. The future southwest access roadway would potentially be used for access to the new Indiana Army National Guard facilities for the proposed Homeland Defense Mission Improvements, as well as future air cargo facilities. The new at grade crossing on the southwest access roadway would not impact the general public.

#### **5.3.4.4 Community Disruptions**

##### **5.3.4.4.1 Disruption due to Construction Activities**

Construction is anticipated to begin in 2004 and continue through 2007. The construction period may vary depending on the phasing of each project and construction specifications. Staging areas are designated for each project, providing location for equipment and material storage, waste storage, etc. The anticipated construction activities include: clearing, grading, excavation, some demolition of existing structures, pavement, filling, backfilling, compaction, drainage structures, tree cutting and vegetation clearing, waste disposal, and rail track removal.

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<sup>1</sup> EJ&E Railway, Train Dispatcher Office Records, October 22-26, 2001, with updated information provided by TranSystems, 2004.

The negative impacts to the community from the construction will be minimal since the majority of construction activities and subsequent impacts will be kept on-site. The impacts that will result from off-site areas are increased traffic from construction vehicles, possible traffic rerouting, and noise impacts from equipment and construction vehicles. Construction activities are anticipated to have no significant adverse effect on surrounding land use due to the temporary nature of construction activity and the noise level reductions associated with distance attenuation. The noise will usually only occur during weekday, daytime hours, the time frame during which noise is the least bothersome. In addition, there could be impacts to airport users during construction of the runway, terminal and railroad. These impacts could include delays or interruption to air service and slight access interference to terminals. To minimize these overall construction impacts, construction phasing will need to be coordinated to prevent disruption of scheduled service due to navigation equipment changes or runway closures.

#### **5.3.4.4.2 Air Traffic Disruptions**

Consideration of air traffic impacts focuses on potential aircraft noise impacts associated with the Proposed Action. As stated previously, noise is unwanted sound – sound that disturbs our routine activities or peace and quiet, and perhaps causes a feeling of annoyance. The adverse effects of noise exposure on people include degradation of health and activity interference. Degradation of health includes hearing loss and is not normally encountered from aircraft sources outside of airport boundaries. Activity interference is the most common noise impact from aircraft and includes sleep interference; speech interference; interference with study, concentration or critical tasks; interference with the performing arts; interference with outdoor activities; and interference with warning sounds. Sleeping interference is of critical concern in residences as well as health facilities such as hospitals and nursing homes. Sleeping interference can occur at noise levels over 45 dBA. Speech interference, which is critical in schools and other learning environments, typically occurs at sound levels greater than 55 dBA.

The 65 DNL contours modeled for the land surrounding the Gary/Chicago International Airport under the two Build Alternatives are shown in the noise contour diagrams in Section 5.1, Noise. In comparison to the No Action contours also shown in Section 5.1, Noise, they each show a smaller area encompassed by the 65 DNL. This is due to the proposed runway improvements that extend Runway 12-30 to the northwest in addition to an approach threshold displacement of 546 feet to the runway at the southeast end. Thus, some of the aircraft noise sources contributing to the contours would be shifted slightly to the northwest. The exhibits in Section 5.1, Noise, also show that the projected noise disturbance surrounding the airport would be limited primarily to the residential area

southeast of the airport, as the lands northwest of the airport are industrial and transportation uses.

#### **5.3.4.4.3 Land Acquisition Disruptions**

According to the FAA Land Use Compatibility Table in Section 5.1, Noise, residential land uses are not recommended at sound levels of 65 DNL and above. However, 71 homes already lie within the 65 DNL under 2000 Baseline conditions and 36 homes are projected to still fall within the 65 DNL under 2007 No Action Conditions. No additional homes would be impacted under either of the two build alternatives: in fact fewer homes are within the 65 DNL (33 homes inside 65 DNL for FAA standards; 22 inside 65 DNL for runway extension scenario). Under the Proposed Action a portion of the homes within the 65 DNL contours would be acquired because they are located within the future southeast RPZ. A total of 42 homes are to be acquired as opportunity and funding allow.

#### **5.3.4.5 Economic Impacts**

##### **5.3.4.5.1 Fiscal Impacts of Displacements**

The community impacts from the property acquisition will include the displacement of residents, relocation of local businesses, and loss of income from tax generating properties. The income from the tax generating properties will be lost since these properties will be acquired by the Gary/Chicago International Airport, which is exempt from the payment of local property taxes. The overall loss is expected to be easily offset by the increased economic activity that may benefit existing businesses, and for businesses that may locate near the expanded facility. The total amount of tax charged in 2002 for properties within the areas marked for acquisition is \$170,223. If the displaced businesses and residents relocate outside of the City of Gary, the community could lose tax-generating businesses. It must be noted that the expansion of the airport could potentially raise the value of properties surrounding the airport since there will potentially be a higher demand for development; as properties are re-evaluated, higher taxes could be justified. **Exhibit 5.3-9** presents a summary of the net fiscal loss to the City of Gary due to the Proposed Action.

<b>EXHIBIT 5.3-9 Total Tax Charged - 2002</b>	
<b>Land Use</b>	<b>Amount</b>
Residential	\$11,856
Non-Residential	\$158,367
<b>Total</b>	<b>\$170,223</b>

#### 5.3.4.5.2 Economic Impacts of Construction

The proposed construction of the improvements and expansion of the Gary/Chicago International Airport will generate temporary economic benefits to the Gary and Chicago regional economy during the construction phase. The expenditures of Federal, state and local funds upon materials and labor will create direct economic benefits in the region. Indirect benefits will also occur when supplying industries use these initial direct revenues to purchase required goods and services as part of their production process. The effect of the laboring household's expenditures will be to induce more production of goods and services by select local industries. The successive "rounds" of economic activity stimulated by the initial expenditure of funds is the "multiplier effect." (these induced effects are presented in Section 5.4, Induced Socio-Economic Impacts). The economic benefits associated with the construction phase will start at the beginning of construction and end shortly after the construction phase is completed and the multiplier effects are exhausted. Although the benefits occur during a short time period, they will provide an increase in the region's employment, income and sales output (see Exhibit 5.3-9).

Economic Assessment Methodology - A regional input-output (I/O) model developed utilizing methods established by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) has been used to quantify the economic effects of the proposed construction project. The model assesses the total potential economic impacts of facility projects utilizing multipliers specific to the region of the Proposed Action, in this case, the Gary PMSA (Lake and Porter counties) and the Chicago CMSA (Cook, DeKalb, Lake, DuPage, Kane, McHenry, Kendall, Will, Grundy, Lake, Porter, Kankakee, Kenosha, and Kenosha counties).

Three broad types of measurable economic impacts result from the construction activity supported by the Gary/Chicago International Airport capital program: direct, indirect and induced economic effects:

- **Direct Impact** - The direct impact of a project is defined as the initial change in final demand in which expenditures are made for materials and labor in the region. The direct impact to the region from the proposed project investment is represented by the *local* purchase of construction materials and services, and the project payroll.
- **Indirect Impact** – The initial direct expenditure impacts prompt further "indirect" economic activity by supplying industries that furnish input materials and services to the industries directly involved in construction. These *indirect impacts* reflect the intermediate production or increased economic activity to supply services, materials and machinery necessary to support the construction program.

- ***Induced Impact*** – In turn, the labor force will use a significant portion of their wage earnings on various consumer expenditures, producing an “induced” effect. The *induced impact* is the effect of increased consumer spending by wage earners in the study industry and other supporting industries.

The successive “rounds” of economic activity stimulated by the initial expenditure of funds during construction is the ripple or “multiplier effect.” The ripple effect can account for a significant portion of the total regional economic impact. Together, the indirect and induced impacts constitute the multiplier effect, the extent to which the direct impact results in additional economic activity. Expressed numerically, a multiplier of 2.5 indicates that for every dollar directly generated by the industry under study, an additional \$1.50 of ripple effects are felt within the local region, for a total impact of \$2.50. The model, which derives multipliers specific to the region, has been used to quantify the economic effects of the proposed project.

- ***Temporary Economic Benefit Impact*** - Multipliers permit estimation of the indirect and induced effects once direct project impacts are known. **Exhibit 5.3-10** displays a summary of the “initial change” or direct impact and multiplier effect impacts to the local economy.

**EXHIBIT 5.3-10**  
**Summary of Estimated Economic and Employment Effects**  
**Construction of the Proposed Action (Gary/Chicago International Airport Expansion)**  
**Gary PMSA\* and 13-County Chicago Consolidated Metropolitan Statistical Area\*\***

	<b>Total</b>		
<b>Total Construction Budget</b>	\$59,400,000		
- Construction Materials and Services Purchases	\$31,566,000		
- Payroll	\$27,834,000		
Total Construction Employment (Person-Years)	404		
Period of Construction	3 Years		
Annualized Construction Jobs	135		
			<b>Jobs</b>
<b>Total Impacts for Gary PMSA</b>	<b>Sales</b>	<b>Earnings</b>	<b>(Person-Years)</b>
Initial Change	\$24,936,000	\$15,397,000	357
Multiplier Effect	\$40,843,000	\$15,828,000	328
<b>Total Economic Effects</b>	<b>\$65,779,000</b>	<b>\$31,225,000</b>	<b>685</b>
<b>Annual Effects for Gary PMSA</b>			
Initial Change	\$8,312,000	\$5,132,333	119
Multiplier Effect	\$13,614,333	\$5,276,000	109
<b>Total Annualized Economic Effects</b>	<b>\$21,926,333</b>	<b>\$10,408,333</b>	<b>228</b>
			<b>Jobs</b>
<b>Total Impacts for 13-County Chicago Consolidated Metropolitan Statistical Area</b>	<b>Sales</b>	<b>Earnings</b>	<b>(Person-Years)</b>
Initial Change	\$32,057,000	\$16,453,000	382
Multiplier Effect	\$74,669,000	\$24,093,000	587
<b>Total Economic Effects</b>	<b>\$106,726,000</b>	<b>\$40,546,000</b>	<b>968</b>
<b>Annual Effects for 13-County Chicago Consolidated Metropolitan Statistical Area</b>			
Initial Change	\$10,685,667	\$5,484,333	127
Multiplier Effect	\$24,889,667	\$8,031,000	196
<b>Total Annualized Economic Effects</b>	<b>\$35,575,333</b>	<b>\$13,515,333</b>	<b>323</b>

Source: The Louis Berger Group, Inc., 2003.

\* Includes Lake and Porter Counties

\*\* Includes Cook County, DeKalb County, Lake County, DuPage County, Kane County, McHenry County, Kendall County, Will County, Grundy County, Lake County, Porter County, Kankakee County, Kenosha County, and Kenosha County

The sum of all these elements constitutes the total effect that can be expressed in terms of employment, output, and worker earnings. The analysis is divided into two regions, the Gary PMSA and the Chicago CMSA. An analysis of the Chicago CMSA reveals the broader regional implications of the construction project, while the analysis of Gary PMSA reveals the impacts on the community immediately surrounding the airport.

The total economic impacts of the Chicago CMSA are the following:

- **Employment** - The investment will support a total of 968 worker-years of employment over the life of the project. This equates to an average annual total of 323 jobs for *local* workers during the 3-year construction phase (note that due to the phasing pattern, this employment will be concentrated in the middle years of the construction program).
- **Output** - The total amount of economic activity, or output, that the local economy will experience due to the initial direct construction investment is \$106.7 million, or \$35.5 million annually.
- **Earnings** - The total amount of increased earnings that local workers will earn due to the investment is \$40.5 million, or \$13.5 million annually.

The total economic impacts of the **Gary PMSA** are the following:

- **Employment** - The investment will support a total of 685 worker-years of employment over the life of the project. This equates to an average annual total of 228 jobs for *local* workers during the 3-year construction phase (note that due to the phasing pattern, this employment will be concentrated in the middle years of the construction program).
- **Output** - The total amount of economic activity, or output, that the local economy will experience due to the initial direct construction investment is \$65.7 million, or \$21.9 million annually.
- **Earnings** - The total amount of increased earnings that local workers will earn due to the investment is \$31.2 million, or \$10.4 million annually.

#### **5.3.4.5.3 Economic Impacts of Permanent Operations**

##### **No Action**

Under the No Build condition, for purposes of comparison, no elements of the Proposed Action would have been undertaken. As such, economic activity in the vicinity of the airport will remain unchanged from today with the exception of an incremental increase due to corresponding increases in aircraft operations and forecast enplanements. In the absence of the Proposed Action, aircraft would not be permitted to operate under full maximized load factors. As such, total enplanements would be less than those experienced under implementation of the Proposed Action.

##### **Future Build Condition**

Under the build condition total numbers of aircraft operations are expected to grow from 52,734 in the base year of 2000, to 77,575 in 2007. Scheduled and unscheduled enplanements are projected to increase from 48,800 in the base year to 61,669 in 2007. While total numbers of aircraft operations are the same as the No Build condition, the total number of enplanements is expected to be greater due to the greater load capacity of aircraft that would result from the airport safety improvements. This represents an incremental increase in visitor spending in the local economy and in direct spending of the airport itself on annual operations. The increased numbers of enplanements would provide an incrementally greater number of jobs on the site, would attract more on-site tenants, and would permit the airport to spend more on annual expenses.

Furthermore, as the Proposed Action facilitates increases in both direct employment and spending within the local economy, so does it affect that portion of the local economy that serves those businesses that directly benefit from such spending.

#### **5.3.4.6 Environmental Justice**

This section presents an analysis of the Gary/Chicago International Airport runway extension and safety impacts in regards to Environmental Justice. Presidential Executive Order 12898, issued in 1994, directs Federal and state agencies to incorporate Environmental Justice as part of their mission by identifying and addressing the effects of all programs, policies and activities on minority and low-income populations.

The fundamental principles of Environmental Justice are as follows:

- Ensure the full and fair participation by all potentially affected communities in the transportation decision-making process;
- Prevent the denial of, reduction in, or significant delay in the receipt of benefits by minority and low-income populations;



- Avoid, minimize or mitigate disproportionately high and adverse human health and environmental effects, including social and economic effects, on minority populations and low-income populations.

In 1997, the U.S. Department of Transportation (USDOT) issued its *Order to Address Environmental Justice in Minority Populations and Low-Income Population (USDOT Order)* to summarize and expand upon the requirements of Executive Order 12898 on Environmental Justice. The USDOT Order sets forth the transportation agency's policy to promote the principles of Environmental Justice in all policies, programs and other activities that are undertaken, funded or approved by the Federal Aviation Administration (FAA), Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), or other USDOT entities.

This presents an analysis of whether the minority and low-income populations within the study area surrounding the project site will be disproportionately impacted by the Proposed Action.

The assessment of Environmental Justice for the Gary/Chicago International Airport follows these major steps:

- Identify study area;
- Compile population characteristics and identify locations with populations of concern for Environmental Justice;
- Conduct public outreach;
- Identify adverse effects on populations of concern; and
- Evaluate project's overall effects.

#### **5.3.4.6.1 Identify Environmental Justice Study Areas**

The study area surrounding the project site reflects the limits of potential direct and indirect environmental impacts on communities of concern that could result from the construction and operation of the Proposed Action. The study area is located in both the City of Gary and the City of East Chicago, and entirely within Lake County and the State of Indiana.

#### **5.3.4.6.2 Compile Population Characteristics and Identify Populations of Concern for Environmental Justice**

Population and income characteristics from the 2000 U.S. Census of Population and Housing were utilized to identify populations of concern for Environmental Justice. The

following information was collected for specific census blocks and aggregated to represent the study area:

- *Data on racial and ethnic characteristics:* Population in each of the block groups within the census tracts in the primary study area was characterized using the following racial categories: White (Hispanic and Non-Hispanic), Black or African American, American Indian and Alaska Native, Asian, Native Hawaiian and Other Pacific Islander, and "Other."
- *Percentage of Minority Population:* In responses to questions on the Census, persons of Hispanic origin characterize themselves as White, Black or African American, American Indian and Alaska Native, Asian, Native Hawaiian and Other Pacific Islander, and "Other." For purposes of this analysis, persons of Hispanic origin classifying themselves as White were included in the calculation of minority population. (CEQ guidance indicates that areas where more than 50 percent of the total population is minority are considered minority communities).
- *Low-income population:* The percentage of persons living below the poverty level, as defined in the Census, was one of the indicators used to determine the low-income population in a given block group or census tract. The median household income was the second measure used to characterize the income levels.

#### **5.3.4.6.3 Study Area Population and Economic Characteristics**

In 2000, an estimated 11,974 people lived in the primary study area based on review of the subject area U.S. Census Block Groups. Executive Order 12898 stipulates that for populations to be considered as "minority", the minority composition should exceed 50 percent, or be greater than the minority population percentage in the general population of the broader geographic area under analysis. This analysis has defined two tiers of geographic analysis in order to determine if the study area contains a higher concentration of low income and minority groups. The first is the Gary/East Chicago PMSA (Gary PMSA), and the second is the Chicago-Gary-Kenosha, IL-IN-WI CMSA (Chicago CMSA). **Exhibit 5.3-11** presents the socioeconomic characteristics for the study area, the Gary PMSA, and the Chicago CMSA.

It is clear that the study area exhibits higher proportions of low-income and minority residents than the 50 percent threshold established by the Environmental Protection Agency Office of Environmental Justice (**Exhibit 5.3-12, 5.3-13**). Similarly, the Gary PMSA contains far greater proportions of low-income and minority residents than the region-wide Chicago CMSA. Census blocks and block groups associated with areas mentioned above are identified in Exhibit 5.3-11.

## EXHIBIT 5.3-11 Socioeconomic Statistics

	Study Area*		Chicago--Gary-- Kenosha, IL--IN--WI CMSA		City of Gary and City of East Chicago		Lake County		State of Indiana	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Race</b>										
White alone	3,013	25.2%	6,119,288	66.8%	23,925	17.7%	323,214	66.7%	5,317,334	87.4%
Non-Hispanic White	799	6.7%	5,433,528	59.3%	14,165	10.5%	293,292	60.5%	5,220,722	85.9%
Hispanic-White	2,214	18.5%	685,760	7.5%	9,760	7.2%	29,922	6.2%	96,612	1.6%
Non-white alone	6,490	54.2%	2,113,509	23.1%	98,711	73.0%	127,685	26.4%	580,572	9.5%
Black or African American alone	6,444	53.8%	1,698,040	18.5%	97,992	72.5%	122,279	25.2%	504,449	8.3%
American Indian and Alaska Native Alone	31	0.3%	23,075	0.3%	417	0.3%	1,236	0.3%	17,168	0.3%
Asian alone	7	0.1%	389,403	4.3%	251	0.2%	3,940	0.8%	57,193	0.9%
Native Hawaiian and Other Pacific Islander	8	0.1%	2,991	0.0%	51	0.0%	230	0.0%	1,762	0.0%
Other**	2,471	20.6%	924,743	10.1%	12,524	9.3%	33,665	6.9%	182,579	3.0%
<b>Total</b>	<b>11,974</b>	<b>100.0%</b>	<b>9,157,540</b>	<b>100.0%</b>	<b>135,160</b>	<b>100.0%</b>	<b>484,564</b>	<b>100.0%</b>	<b>6,080,485</b>	<b>100.0%</b>
<b>Minority Population***</b>	<b>11,175</b>	<b>93.3%</b>	<b>3,724,012</b>	<b>40.7%</b>	<b>120,995</b>	<b>89.5%</b>	<b>191,272</b>	<b>39.5%</b>	<b>859,763</b>	<b>14.1%</b>
<b>Hispanic Origin</b>	<b>4,707</b>	<b>39.3%</b>	<b>1,497,832</b>	<b>16.4%</b>	<b>21,526</b>	<b>15.9%</b>	<b>58,798</b>	<b>12.1%</b>	<b>210,538</b>	<b>3.5%</b>
<b>Age (Years)</b>										
0 to 5	1,113	9.3%	817,461	8.9%	13,848	10.2%	41,447	8.6%	508,975	8.5%
6 to 12	1,319	11.0%	989,110	10.8%	15,877	11.7%	51,708	10.7%	538,879	9.0%
13 to 18	1,165	9.7%	777,540	8.5%	13,244	9.8%	43,959	9.1%	527,967	8.8%
19 to 24	968	8.1%	737,987	8.1%	11,624	8.6%	37,230	7.7%	523,896	8.7%
25 to 34	1,228	10.3%	1,392,464	15.2%	15,983	11.8%	60,363	12.5%	826,867	13.8%
35 to 49	2,591	21.6%	2,165,107	23.6%	28,094	20.8%	113,713	23.5%	1,408,144	23.5%
50 to 64	1,588	13.3%	1,281,040	14.0%	18,962	14.0%	73,028	15.1%	905,382	15.1%
65 years or older	2,002	16.7%	996,831	10.9%	17,528	13.0%	63,116	13.0%	752,885	12.6%
<b>Total</b>	<b>11,974</b>	<b>100.0%</b>	<b>9,157,540</b>	<b>100.0%</b>	<b>135,160</b>	<b>100.0%</b>	<b>484,564</b>	<b>100.0%</b>	<b>5,992,995</b>	<b>100.0%</b>
<b>Age Sensitive Groups****</b>	<b>5,599</b>	<b>46.8%</b>	<b>3,580,942</b>	<b>39.1%</b>	<b>60,497</b>	<b>44.8%</b>	<b>200,230</b>	<b>41.3%</b>	<b>2,328,706</b>	<b>38.9%</b>
<b>Poverty</b>										
Persons below Poverty	2,462	20.6%	943,041	10.3%	33,962	25.1%	58,380	12.0%	559,484	9.2%
<b>Median Household Income (1999)*****</b>	<b>\$ 30,994</b>		<b>\$ 51,046</b>		<b>\$ 26,867</b>		<b>\$ 41,829</b>		<b>\$ 41,567</b>	

Source: U.S. Department of Commerce, Bureau of Census, U.S. Census of Population and Housing, 2000.

**Notes:**

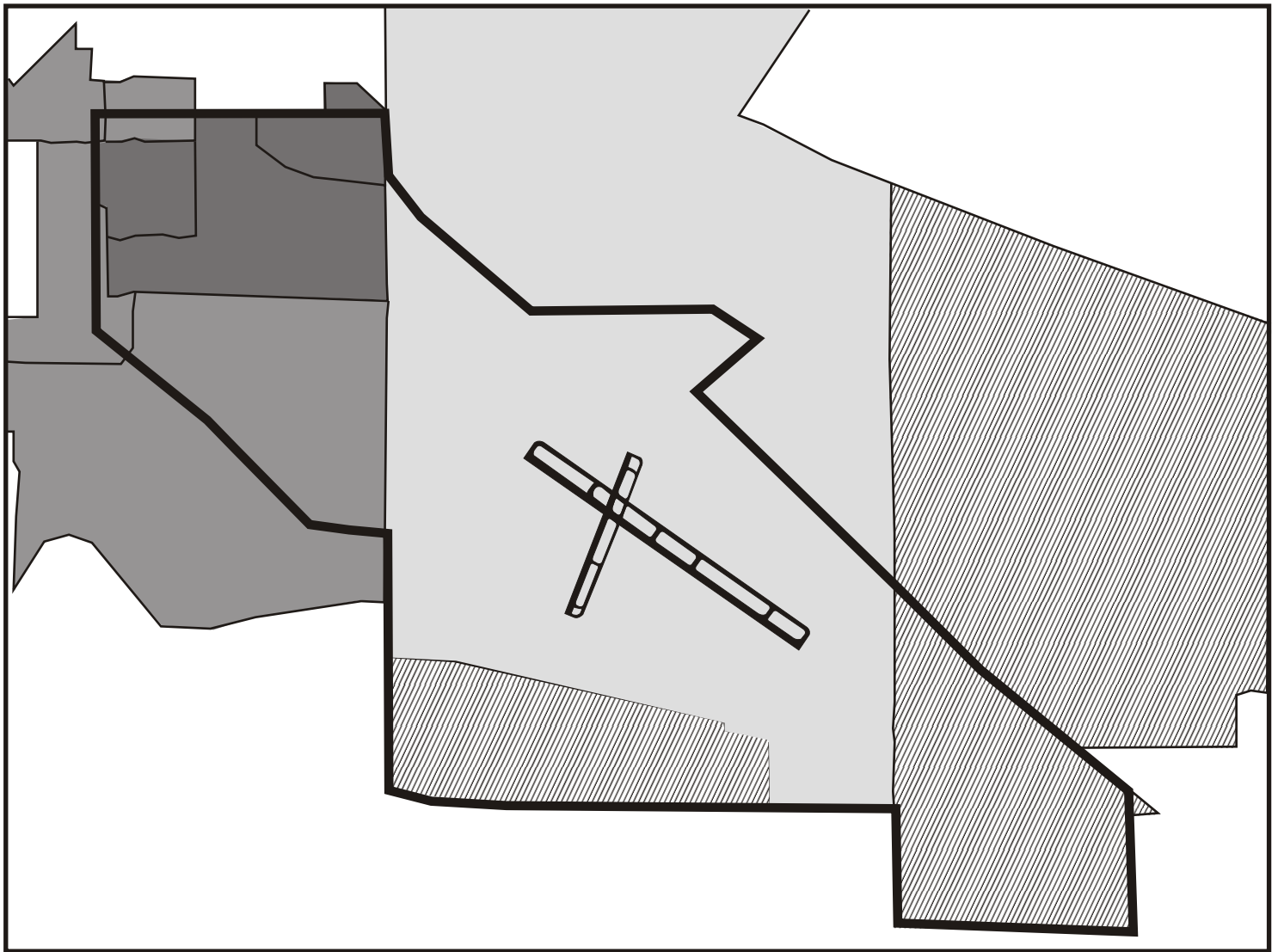
\* The Primary Study Area comprises the census blocks within the study boundary illustrated in X. Since poverty and income are not reported for census blocks, these figures are based on census block groups.

\*\* The Other Category includes census categories 'some other race alone' and 'two or more races'.

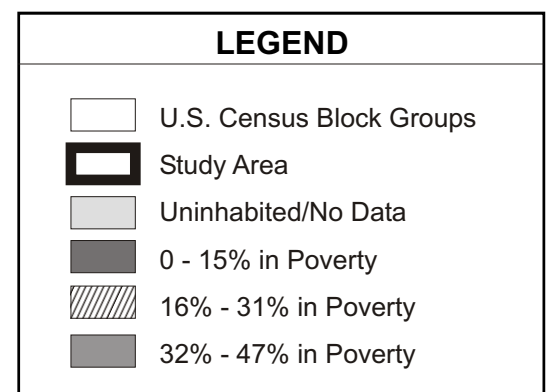
\*\*\*The total minority population includes all those who are Black, Hispanic Whites, American Indian and Alaskan Native, Asian, Native Hawaiian, Other Pacific Islander and Other categories.

\*\*\*\*Age Sensitive Groups in block groups are defined as persons aged 18 and below and 65 and older.

\*\*\*\*\*The median household income was calculated by taking the average of median incomes of all the census block groups in a given study area.

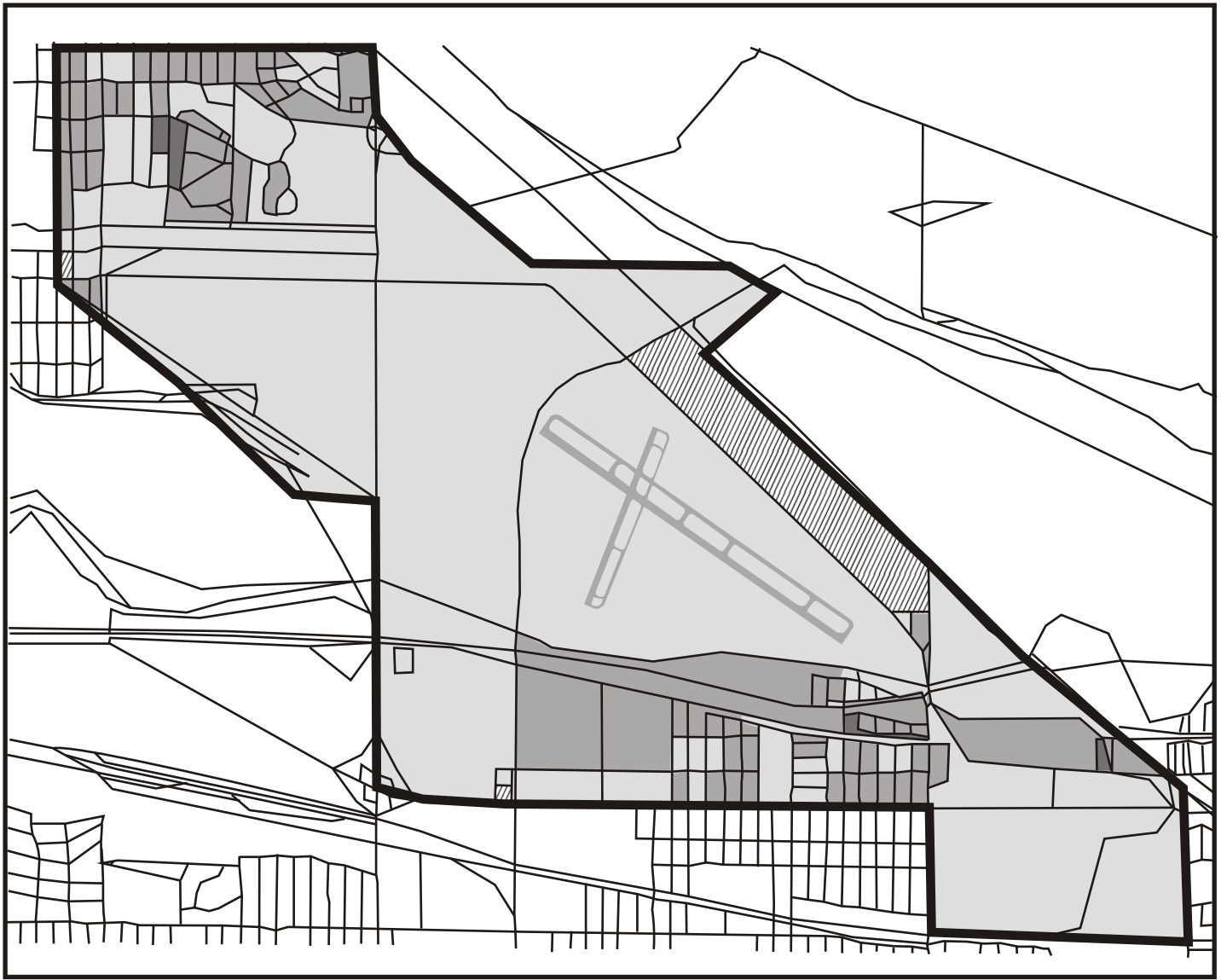


Source: U.S. Census Bureau, 2000.

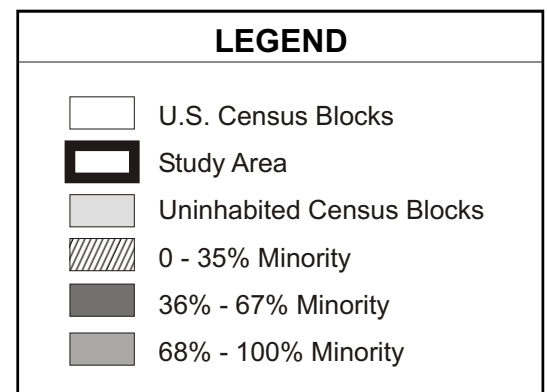


## EXHIBIT 5.3-12 Percent of Population Poverty - 2000

April 8, 2004



Source: U.S. Census Bureau, 2000.



## EXHIBIT 5.3-13 Percent of Population Minority - 2000

April 8, 2004

Specifically, the percentage of minorities in the study area was 93.3 percent, compared with 89.5 percent of the Gary PMSA residents and 40.7 percent of the Chicago CMSA residents. Approximately 53.8 percent of the primary study area residents characterized themselves as Black or African American alone, and 39.3 percent as Hispanic. The amount of Hispanic origin residents within the Study Area is significantly higher than both the Gary PMSA and Chicago CMSA populations.

The residential properties within the proposed RPZ currently experience noise from the Indiana Toll Road, railroad, and the airport. The Proposed Action provides a program to allow the residents to move to other areas of Gary that are not impacted by as much noise.

The proportion of persons living under the poverty level in the primary study area was found to be 20.6 percent. The median household income in the primary study area was found to be \$30,994 for 1999. Incomes in the primary study area are slightly higher compared to those in the Gary PMSA (\$26,867) and significantly lower when compared to the Chicago CMSA (\$51,046).

#### **5.3.4.6.4 Public Outreach**

The public involvement process to date has involved two public information workshops for reviewing proposed improvements to the Gary/Chicago International Airport. These two workshops were held at the Gary/Chicago International Airport passenger terminal on Tuesday, January 15, 2002, and on Tuesday, March 4, 2003. The affected residences were notified by post card mailing sent directly to their home. News releases were also included to maximize participation. Federal Register Notices were also sent out. The same type of public information workshops will be held in the upcoming months to update the public on the planning process and gather input from the community.

During the public meetings comment sheets were filled out by many of the participants. These comment sheets were reviewed and the main points are summarized below:

- The majority of the people appeared to express support for the expansion of the airport and thought that it would greatly benefit the economy of Northwest Indiana.
- There were many comments in support of the Gary/Chicago International Airport becoming Chicago's "Third Airport."
- Only a few people were concerned about noise impacts on residential areas and community facilities to the southeast and northwest of the airport.

- There were comments from residents immediately surrounding the airport who wanted to know if and when their homes would be bought, since this would determine if they reinvest in their homes (i.e., install new carpeting, flooring, lawn).
- Some people commented that the land was potentially contaminated brownfield land and that the airport would be a compatible use.
- There were numerous comments concerning the poor economic shape of the City of Gary, Indiana, noting that this project may provide substantial economic development opportunities that are needed.

#### **5.3.4.6.5 Identify Adverse Effects on Populations of Concern**

There are several questions related to the evaluation of environmental justice. First, does the project create adverse effects? If so, are they predominately borne by a minority and/or low-income population? Alternatively, will the adverse impacts be more severe or greater in magnitude than the adverse effects that will be suffered by non-minority and/or non-low-income populations?

Generally, it has been established in Section 5.2, Land Use, and earlier in this section that there are few adverse effects from the Proposed Action. Potential impacts associated with the Proposed Action include residential and business displacements, noise impacts to local residents, and induced socio-economic impacts. The following section summarizes the potential impacts of the Proposed Action.

*Residential Displacements* - There are no residential areas within the Proposed Action area that will entail immediate acquisition as a prerequisite for the Purpose and Need; however, there are 42 homes (and one business) southeast of the airport that fall within the path of the southeast Runway Protection Zone (RPZ) at the end of Runway 12-30. According to FAA standards, permanent structures are not acceptable within RPZs, and it is the airport's stated policy and intention to purchase these properties as opportunity and funding allow.

*Business Displacements* – Business displacements are located within the areas planned for development northwest of the airport. Businesses along Chicago Avenue and Cline Avenue that are located within the planned development area will be required to relocate and will be acquired through immediate voluntary sale, or through Eminent Domain as described in the Uniform Relocation Assistance and Real Property Acquisition Policies Act. The residences and businesses that are likely to be displaced due to the RPZ and planned development are located in areas of high minority and low income populations

compared to the Chicago CMSA, but are similar to the population characteristics of the Gary PMSA. It has been shown that there are ample opportunities for relocation elsewhere in the study area due to high local vacancy rates, and anecdotal property information provided by the City of Gary. Furthermore, it has been established in the Public Outreach process that there is significant local support for the Proposed Action, and that the majority of property owners are willing to sell their properties to the airport.

*Noise Impacts* - Residences, businesses and community facilities surrounding the airport are vulnerable to increases in noise levels associated with increased aircraft operations, and the lengthened runway as part of the Proposed Action. The neighborhoods within the study area to the northwest and southeast contain several community facilities that could have been impacted. These community facilities include schools, child daycares, libraries, churches, community centers, a hospital, and government offices. Section 5.1, Noise, has established that the nature of aircraft operations in the analysis year of 2007 will reduce the number of residents located within the 65-70 DNL noise contour (no community facilities will fall within the 65-70 DNL contour). In 2007, no residential property will fall within the 70+ noise contours under the No Action or Build alternatives. Consequently, fewer residents will be exposed to incompatible noise levels under the Proposed Action than under existing conditions and all have been previously impacted by aircraft noise. Because the DNL is a single number representing noise from multiple events over an average 24-hour period, it does not account for individual flyovers. Therefore, residents in the vicinity of the airport may still experience occasional annoyance due to aircraft activity.

*Community Cohesion Impacts* – As discussed in Section 5.4, Induced Socioeconomic Impacts, the proposed program of residential and business acquisitions in the southeast RPZ does not include the entire neighborhood bordered by I-90 to the south and the airport southern boundary to the north or the neighborhood bordered by the I-90 to the north and the Chicago South Shore and South Bend Rail Road to the south. As such, the proposed acquisition program will leave small pockets of isolated residential properties immediately beyond the boundary of the new RPZ that are physically separated from other residences. These remaining residences will be isolated relative to the current density and land use patterns. These residents will be consulted to determine if there is a concern that either: a decrease in community surveillance may influence the commission of crime or that isolation may contribute to physical and social neighborhood disinvestment. Consultation with the remaining landowners will be invited to occur at the public hearing for this EIS process through a special advance mailing to both the residences within and immediately outside of the acquisition area.



*Induced Socioeconomic Impacts* – Finally, the project's effects will be economically beneficial to the local area. Low-income and minority groups may share in the significant increase of service level jobs that may occur from the expansion of the Gary/Chicago International Airport. In this respect, no race, ethnic or low-income group will be denied the overall benefits anticipated by the project.

### **5.3.5 Summary of Findings**

The project's potential to create adverse impacts on low-income and minority populations was compared to those impacts likely to be experienced by the general population. This permits a determination of whether such impacts disproportionately burden low-income and minority groups. This analysis found that while the Proposed Action disproportionately affects communities of low-income and minority populations, in general these impacts are not significantly adverse and do not severely burden low-income and minority populations.

Finally, it should be noted that the communities of Gary and East Chicago have experienced dramatic economic changes that have occurred in other urban cities, such as community disinvestment, changes in the mix of manufacturing due to technological improvements and foreign competition, and the growth of suburban development. This has resulted in relatively high poverty rates, unemployment and low incomes. The expansion of the Gary/Chicago International Airport can be anticipated to create new business opportunities and markets in the area. A larger work force will be employed at the airport as a result of its expansion, which will create new jobs for local residents. This growth in employment will help increase incomes and raise the overall quality of life for minority and low-income groups.

### **5.3.6 Mitigation**

In order to address issues of socioeconomic impacts and environmental justice, an extensive public outreach component will provide information about the land acquisition program. Residents living near, but outside of the acquisition area, as well as potential landowners to be acquired will be invited to attend the public information meeting/hearing to receive clear information and to receive public input. Specifically, residents immediately beyond the boundary of the new RPZ, described above, will be invited through a mailed notice to an upcoming public information meeting. At this meeting input will be gathered on impacts to this population and potential impact mitigation measures. The residential properties within the proposed RPZ currently experience noise from the Indiana Toll Road, railroad, and the airport. The Proposed Action provides a program to allow the residents to move to other areas of Gary that are not impacted by as much noise.

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